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*Counsel to the Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 22-10964 (MG)  
)  
) (Jointly Administered)  
)

**DECLARATION OF STEVEN KOKINOS  
IN SUPPORT OF CONFIRMATION OF THE JOINT CHAPTER 11 PLAN OF  
REORGANIZATION OF CELSIUS NETWORK LLC AND ITS DEBTOR AFFILIATES**

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I, Steven Kokinos, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief.

1. I am Steven Kokinos, proposed CEO of NewCo, proposed member of the NewCo board of directors, and member of Fahrenheit, LLC ("Fahrenheit"). Following the conclusion of

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

the Auction conducted pursuant to the Bidding Procedures Order,<sup>2</sup> the Debtors in consultation with the Committee, selected Fahrenheit as the Successful Bidder and sponsor of the NewCo Transaction contemplated by the Plan. Since winning the Auction, Fahrenheit has worked closely with the Debtors and the Committee to continue to develop the NewCo Transaction.

2. I submit this declaration (this “Declaration”) in support of confirmation of the *Modified Joint Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3577] (as may be amended, supplemented, or otherwise modified from time to time, the “Plan”) and in support of the *Debtors’ Memorandum of Law in Support of Confirmation of the Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates and Omnibus Reply to Objections Thereto* (the “Memorandum”), filed contemporaneously herewith.<sup>3</sup>

3. Unless otherwise indicated, all facts set forth in this Declaration are based upon (a) my personal knowledge and involvement as a member of Fahrenheit, (b) information I learned from a review of relevant documents, (c) information I received from members of the Debtors’ management and advisors, and the other members of Fahrenheit, or (d) my experience as a current and former founder and leader of various technology and crypto-related companies. I am not being specifically compensated for this testimony. If called upon to testify, I could and would testify to the facts set forth herein.

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<sup>2</sup> See Order (I) Approving the Bidding Procedures In Connection with the Sale of Substantially All of the Debtors’ Assets, (II) Scheduling Certain Dates with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief [Docket No. 1272].

<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan, the Disclosure Statement, or the Memorandum filed contemporaneously herewith, as applicable.

### **Background and Qualifications**

4. I have been an entrepreneur and investor for over 25 years, and over that time have founded and operated numerous companies ranging from internet infrastructure, cloud software, communications, and cryptocurrency. I hold a Bachelor of Arts degree in economics from McGill University.

5. I am the founder of Sonic Boom Ventures, a cryptocurrency focused investment firm.

6. Prior to that, I was the founding CEO of Algorand, a Layer-1 staking-based blockchain where I led the company's growth to a multi-billion-dollar market capitalization.

7. I previously co-founded Fuze, a cloud-based communications platform, which was acquired by 8x8, Inc. (NASDAQ: EGHT) in 2022 for aggregate consideration valued at approximately \$250 million.

8. Prior to Fuze, I co-founded BladeLogic, a leader in the data center automation market, which went public in 2007 and was subsequently acquired by BMC Software in 2008 for aggregate consideration valued at approximately \$800 million.

9. Prior to BladeLogic, I co-founded and was CEO of WebYes, a web hosting and application service provider, which was acquired by Breakaway Solutions prior to the latter going public in 2001.

10. Throughout my career, I have raised more than approximately \$1 billion for the companies that I founded and/or led as CEO.

### **The Fahrenheit Group**

11. On information and belief, in or around October 2022, the Debtors commenced a marketing and sale process for all or substantially all of the Debtors' assets. Subsequent to the

commencement of the Debtors' marketing efforts, the Fahrenheit group formed. Fahrenheit consists of a coalition of seasoned crypto operators with decades of collective experience across the Web3 ecosystem, comprised of me, U.S. Data Mining Group, Inc. (d/b/a US Bitcoin Corp), Arrington Capital, Proof Group Capital Management LLC, and Ravi Kaza.

12. US Bitcoin Corp is a leading operator of Bitcoin mining sites specializing in the design, construction, and management of data centers with access to low-cost and sustainable sources of energy. Arrington Capital is an SEC-registered investment advisor with a primary focus on blockchain-based capital markets. Proof Group is a digital asset focused staking investment fund led by a team of former crypto founders and venture investors. Ravi Kaza has more than twenty-five years of experience focused principally on disruptive technology investment. Mr. Kaza founded Seasons Capital Management, a multi-billion dollar, SEC-registered alternative fund management company and, prior to that, worked at Duquesne Capital and Pequot Capital, and in investment banking at Credit Suisse First Boston, DMG, and Wasserstein Perella, all with a focus on the technology industry and technology investing.

13. In addition to myself as proposed CEO, Fahrenheit has assembled a team of sophisticated crypto natives and business professionals to help manage NewCo, including: (a) Joel Block, CFO of US Bitcoin Corp, who is the proposed CFO of NewCo; (b) Asher Genoot, Co-Founder and President of US Bitcoin Corp, who will provide NewCo with guidance with respect to, among other things, the Bitcoin mining business; (c) Noah Jessop, Founder and Managing Director of Proof Group, who will provide NewCo with guidance with respect to, among other things, Ethereum staking opportunities and the DeFi cryptocurrency assets being transferred to NewCo; (d) Michael Arrington, Founder and Managing Director of Arrington Capital, who will provide NewCo with guidance with respect to, among other things, the private equity and venture

portfolio being transferred to NewCo; and (e) Ravi Kaza, who will provide NewCo with guidance with respect to, among other things, the institutional loan portfolio and DeFi cryptocurrency assets being transferred to NewCo. I and Messrs. Genoot and Kaza are presently proposed to serve as three of the nine directors on the New Board. I believe that the Fahrenheit team is comprised of experienced and disciplined professionals who will effectively manage NewCo (subject to New Board oversight) through the duration of the management agreement.

#### **NewCo's Mining Business**

14. The Debtors' Bitcoin mining business will be among the principal assets transferred to NewCo on the Effective Date of the Plan. As set forth in the Disclosure Statement and the Kieley Declaration filed contemporaneously herewith, the Debtors and their advisors prepared a Mining Valuation Analysis, attached as Exhibit D to the Disclosure Statement, and Mining Financial Projections, attached as Exhibit E to the Disclosure Statement. Members of the Fahrenheit team met and conferred with the Debtors and their Management team and provided input with respect to the Mining Valuation Analysis and Mining Financial Projections. The Debtors ultimately prepared the Mining Valuation Analysis and Mining Financial Projections, but Fahrenheit believes such analyses to be reasonable under the circumstances of these cases.

15. Following the Effective Date, and as part of the NewCo Transaction, NewCo's Bitcoin mining business will be managed by US Bitcoin Corp pursuant to a mining management services agreement with NewCo. US Bitcoin Corp will manage the Bitcoin mining business subject to the oversight of the New Board and NewCo's executive management team, which is presently intended to include Michael Deeg as NewCo's proposed head of mining. Mr. Deeg's proposed selection as NewCo's head of mining was made following the recommendation of the Committee and good faith discussions among Fahrenheit, the Debtors, and the Committee.

16. I believe that the NewCo Transaction provides NewCo with an opportunity to maximize and grow the value of the mining business. Fahrenheit has worked closely with the Debtors and their advisors to evaluate and understand the mining business with the goal of seamlessly transitioning the mining business to NewCo upon emergence. Since the close of the Auction, Fahrenheit and US Bitcoin Corp have worked closely with the Debtors and the Committee to secure improved mining contracts, procure necessary bespoke equipment, jumpstart negotiations, and advise on expansion efforts with regard to the Debtors' proprietary sites in Texas. Fahrenheit, subject to the oversight and approval of the New Board, will focus future efforts on seeking to optimize NewCo's existing fleet of rigs and mining sites with the ultimate goal at present of vertically integrating NewCo's rigs within its proprietary sites. As detailed more fully in the presentation attached as Exhibit F to the Plan Supplement, Fahrenheit believes that the NewCo Transaction provides NewCo with an opportunity to manage the mining business efficiently and responsibly, make opportunistic investments, expand, grow, and manage adverse market conditions, subject in all respects to the oversight of the New Board.

17. As further evidence of Fahrenheit's support and belief in NewCo, Fahrenheit has committed to invest up to \$50 million into NewCo to purchase primary equity from NewCo at NewCo's net asset value upon emergence (without any discount). Under the Plan, Fahrenheit will invest approximately \$33.1 million into NewCo in exchange for primary equity on or about the Effective Date of the Plan, with the balance committed to be invested to the extent that the Fahrenheit management agreement is extended, pursuant to its terms, through the fourth and fifth anniversaries of the Plan Effective Date.

**Conclusion**

18. Based on the foregoing, I believe that the NewCo Transaction provides creditors with an opportunity to maximize their recoveries in these cases.

*[Remainder of page intentionally left blank.]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true  
and correct to the best of my knowledge, information, and belief.

Dated: September 27, 2023

/s/ Steven Kokinos

Name: Steven Kokinos

Title: Proposed CEO of NewCo  
Fahrenheit, LLC